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## Subsidiary Body for Implementation

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Item 5 of the provisional agenda

Work programme to further the understanding of the diversity  
of nationally appropriate mitigation actions

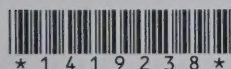
### **Report on the second workshop under the work programme to further the understanding of the diversity of nationally appropriate mitigation actions by developing country Parties**

**Note by the secretariat**


#### *Summary*

This report provides a summary of the second workshop under the work programme to further the understanding of the diversity of nationally appropriate mitigation actions (NAMAs) by developing country Parties. The workshop was held in Bonn, Germany, on 5 June 2014, during the fortieth session of the Subsidiary Body for Implementation. The workshop provided a space to discuss the benefits of sharing technical information on NAMAs, as well as to share experiences with seeking and providing support for NAMAs.

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## **I. Introduction**

### **A. Mandate**

1. The Conference of the Parties (COP) established, at COP 18, a work programme to further the understanding of the diversity of nationally appropriate mitigation actions (NAMAs) by developing country Parties under the Subsidiary Body for Implementation (SBI), with a view to facilitating their preparation and implementation.<sup>1</sup>
2. At the same session, the COP decided that this work programme should start in 2013 and end in 2014, and should include focused interactive technical discussions, including through in-session workshops, with input from experts and submissions from Parties and observer organizations.<sup>2</sup>

### **B. Organization of the workshop**

3. The second workshop under the work programme to further the understanding of the diversity of NAMAs took place during SBI 40, on 5 June 2014, in Bonn, Germany.
4. The workshop was co-chaired by Ms. Ann Gan (Singapore) and Mr. Dimitar Nikov (France). It was divided into three segments:
  - (a) The first segment focused on information on NAMAs, including assumptions and methodologies;
  - (b) The second segment addressed support for preparing and implementing NAMAs and provided a space for Parties to share related experiences;
  - (c) The third and final segment focused on the extent of the matching of NAMAs with support, as reflected in the NAMA registry.

## **II. Summary of proceedings**

### **A. Segment one: more information on nationally appropriate mitigation actions**

5. In the first segment, the co-chairs suggested a discussion on the basis of the following questions:
  - (a) What are the benefits of sharing information relating to NAMAs? Has the work programme contributed to delivering these benefits?
  - (b) What challenges are faced by developing countries when generating this information? How could the secretariat assist them?
6. In response to the first question, participants highlighted the usefulness of the work programme as a platform for sharing information and best practices on NAMAs and support for them. It was mentioned that the workshops have provided a space to receive updated information on what is happening at the country level. Several participants provided information on the implementation of NAMAs in their countries, including on the many benefits derived from cooperation with agencies and organizations that provide

<sup>1</sup> Decision 1/CP.18, paragraph 19.

<sup>2</sup> Decision 1/CP.18, paragraph 20.

support for NAMAs. One participant also highlighted the benefits of the regional workshops organized by the secretariat where detailed information on NAMA-related opportunities and challenges is shared by those directly involved in action on mitigation.

7. Parties highlighted the following challenges:

(a) Setting up measurement, reporting and verification (MRV) systems and developing baselines, which is complicated by the diversity of the actions and differences in national contexts;

(b) Establishing the right institutional arrangements. One participant suggested that, owing to their specificity, each NAMA may require arrangements tailored to the specific context and type of action;

(c) Getting support from the highest levels of government and involving stakeholders, including the private sector;

(d) Obtaining clear information on sources of support available for NAMAs;

(e) Dealing with the variety of requirements identified by the different support sources.

## **B. Segment two: support for preparing and implementing nationally appropriate mitigation actions**

8. The second segment consisted of presentations on experiences with obtaining support for NAMA preparation and implementation. It was opened with an introductory keynote by a representative of the United Nations Environment Programme Risoe Centre, followed by a panel composed of representatives of the United Nations Development Programme (UNDP) Azerbaijan country office and the NAMA Facility, and delegates from Colombia and Mexico.

9. The introductory keynote provided an overview of NAMAs and support sources listed in the NAMA registry and touched on the following :

(a) Available information in the registry includes:

(i) Thirteen requests for support for NAMA preparation totalling USD 1.3 million, all in the form of grants. Not all the requests indicate a domestic component of support for the preparation. Financial support is mainly requested for consultancy fees, MRV, preliminary studies and an analysis;

(ii) Twenty-eight requests for support for NAMA implementation totalling USD 5 billion. Support is requested in the form of grants, loans and guarantees. The financial support is mainly requested for developing and implementing policies and regulatory frameworks, investments, measures to create an attractive investment environment, as well as for capacity-building, awareness-raising and technology transfer;

(iii) Nine support entries, mainly for NAMA preparation. Some of the support is accessible by all the countries, while some of the initiatives target specific regions (e.g. European Union–Africa Infrastructure Trust Fund). The amount of financial support made available by each source is not specified. Sources of support for NAMA implementation are primarily in the form of grants, equity and guarantees;

(b) The support for NAMA preparation and implementation is requested not only with the aim of achieving additional greenhouse gas emissions reductions but also in order to cover the base costs of initial projects;



(c) The registry contains limited detail on support requested, such as on the type of finance requested and its proposed use. However, it is generally understood that ‘base costs’ will be covered by foreign direct investments, private sector loans and equity, and grants or guarantees used for additional costs required for adopting low-carbon options or covering the risks of adopting low-cost carbon options;

(d) Detailed information can increase third party understanding and contribute to raising the likelihood of receiving support. Clarification should be provided regarding the use of financial or other resources, private-sector involvement, country ownership and benefits in terms of sustainable development.

10. A representative of UNDP (Azerbaijan country office) described the experiences of Azerbaijan in obtaining support for the preparation of the “NAMA for low-carbon end-use sectors in Azerbaijan”. Azerbaijan received a grant for USD 3.57 million from the Global Environment Facility; UNDP serves as the implementing agency and has provided additional funding in the amount of USD 200,000. The presentation also covered lessons learned during the preparation and implementation of the NAMA.

11. Key points made during the presentation from UNDP included:

(a) Robust MRV systems help to attract donor support for NAMA preparation and implementation. Furthermore, MRV systems should be established in order to improve the setting of baselines and facilitate the development of greenhouse gas inventories;

(b) Structured institutional frameworks at the sectoral and sub-sectoral levels enhance country capacity to prepare and implement NAMAs;

(c) Challenges faced by the country include:

(i) The establishing of feedback mechanisms to ensure that the implementation of NAMAs reflects country priorities;

(ii) Assessing and addressing risk;

(iii) Ensuring that the best available technical expertise is employed for the preparation and implementation of the actions;

(iv) Guaranteeing that the project’s results are sustainable and replicable.

12. The representative of the NAMA Facility shared the experience of the Facility in providing support for NAMAs. He announced that the NAMA Facility is now involved with the second call for NAMA support project outlines and that applications will be accepted until 15 July 2014. The total amount of funding available is EUR 50 million. Key messages from the presentation included:

(a) The first round of project funding has served as a source of lessons learned for the financing of mitigation action and has demonstrated the potential of the NAMA Facility in mobilizing scaled-up climate finance and furthering the discussion on climate finance;

(b) NAMAs selected for the first round fulfilled all eligibility criteria and performed well on ambition and feasibility. Other important aspects include the potential for transformational change, country ownership, relevance to the national context, potential for replication and sustainable development co-benefits;<sup>3</sup> The availability of funds earmarked for NAMA implementation has provided a strong stimulus to national governments to further develop their NAMAs;

<sup>3</sup> <[http://nama-facility.org/fileadmin/user\\_upload/pdf/NAMA\\_Facility\\_General\\_Information\\_Document\\_April2014.pdf](http://nama-facility.org/fileadmin/user_upload/pdf/NAMA_Facility_General_Information_Document_April2014.pdf)>.



(c) There is a large project pipeline across all geographical regions calling for additional funding for NAMA implementation;

(d) NAMAs are successful in targeting sectors such as transport and agriculture which are not suitable for projects under the clean development mechanism (CDM) or joint implementation;

(e) Early involvement of actors is necessary, in particular those linked to finance to ensure adequate finance structuring and in-depth preparation of financial support mechanisms.

13. The representative of Colombia shared the country's experience with obtaining support for preparing and implementing NAMAs. She emphasized that Colombia's capacity for the preparation of NAMAs derives from the development of its Low Emission Development Strategy and referred to the example of the transit-oriented development NAMA, which has received support from the NAMA Facility. Other factors linked to mobilizing and attracting finance included robust capacity to track emission reductions and co-benefits; good communication between national government and local authorities; engaging strategic partners; and solid institutional frameworks.

14. The representative of Mexico also shared the experience of his country with obtaining support for preparing and implementing NAMAs. He presented the Mexican sustainable housing NAMA as a pilot for NAMA implementation, as it is the first such action to receive support from the NAMA Facility. He mentioned that several NAMAs are under development in Mexico, both domestically and internationally supported. He stressed the importance of finding a national 'champion' with the ability to mobilize the people and resources needed to take NAMAs from concept to reality. Institutional support and stakeholder involvement also play a major role in addressing barriers to NAMA preparation and implementation. He stressed that NAMAs involve large amounts of financial resources, which are unlikely to be provided in the form of grants. Under these circumstances, NAMA proponents should consider other instruments.

15. After the initial interventions by the panellists, the floor was opened for questions or views. Key messages included:

(a) Some participants emphasized the importance of the involvement of the private sector and the difficulty of securing it. The level of private-sector involvement varies depending on the NAMA sector and type of actions. In this context, the representative of Mexico described the example of NAMAs in the housing sector, which, owing to the nature of the sector, show a high level of involvement of private-sector investors;

(b) Other participants noted the difficulties in developing adequate baselines for their NAMAs. While the situation may be easier for NAMAs that are similar in nature to CDM projects, this is not necessarily the case with policy- or strategy-based NAMAs. In this context, some participants mentioned opportunities for collaboration with experts, including academia and the Intergovernmental Panel on Climate Change, for developing and disseminating baseline methodologies. Grant resources may be available to support this particular challenge.

16. A representative of Antigua and Barbuda noted that there is a lack of financial support available for small island developing States (SIDS). In this regard, specific capacity-building programmes that focus on SIDS are useful in leveraging the capacity of the countries and facilitating their access to international financial support.



### **C. Segment three: the extent of matching of nationally appropriate mitigation actions with support for nationally appropriate mitigation actions**

17. The third segment opened with a presentation from a representative of the secretariat, which provided an overview of the extent of matching of NAMAs with support in the NAMA registry and, more generally, of the extent of use of the registry to date. He presented recent improvements to the registry aimed at raising the visibility of NAMAs that have received financial, technology or capacity-building support. Key points from the presentation included:

(a) Parties' participation in the registry is low, with about 46 NAMAs and nine sources of support being recorded. The distribution of access rights among users is also low, ranging from 30 to 60 per cent of countries depending on the region;

(b) There are currently two matches of NAMAs with support recorded in the registry:

(i) The NAMA identified as NS-85 ("Adaptive sustainable forest management in Borjomi-Bakuriani Forest District"), recorded by Georgia, received support from the source identified as S-99 ("Support for activities related to sustainable management of forests") recorded by Austria;

(ii) The NAMA identified as NS-95 ("Nationally appropriate mitigation actions for low-carbon end-use sectors in Azerbaijan"), recorded by Azerbaijan, received support from the support source identified as S-63 ("Global Environment Facility Trust Fund"), recorded by the Global Environment Facility;

(c) The entries submitted to the registry need to be reliable, complete and detailed in order to maximize their potential to receive support. The usefulness of the registry also depends on the number of entries recorded; the registry needs a critical mass of information in order to optimize its functionality;

(d) Immediate challenges in making the registry a success include more active participation and country ownership; improved, more reliable and updated information on the entries that have been recorded; and more interaction with the secretariat to improve the platform.

18. The representative mentioned that the secretariat will continue to support users of the registry through capacity-building activities, development of technical material, outreach activities and direct support to individual registry users, and by improving the registry platform.

19. The co-chairs invited participants to consider the following questions for discussion:

(a) What would be required for the registry to play a more active role in facilitating the matching of NAMAs with support?

(b) What are the main barriers to a more active engagement in the registry by the actors developing NAMAs and providing support for them? What actions could be taken by the secretariat?

(c) What other uses could the registry play beyond the facilitation of matching?

20. Some participants underlined the importance of the NAMA registry in sharing information on best practices, in particular as regards successful matches, while others stressed that the registry has helped them to enhance the visibility of their actions and to obtain support.



21. A representative of Uruguay mentioned that the country uses the registry to enhance the visibility of its NAMAs. Uruguay has six entries in the registry, some of which have been successful in obtaining support from Spain.

22. A representative of Colombia suggested that the functionality of the registry can be enhanced by extending its scope to include information on capacity-building initiatives.

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